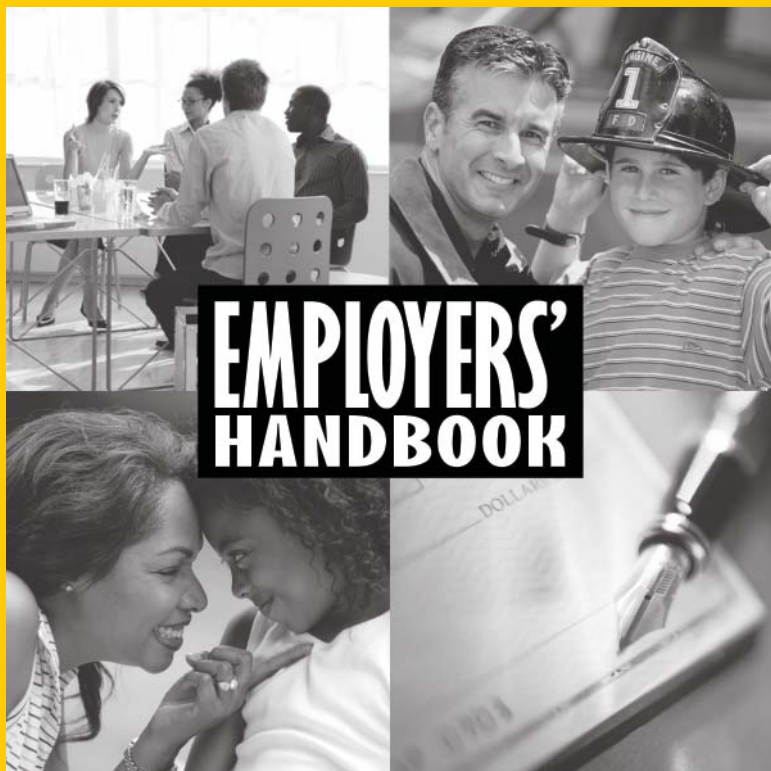


COUNTY OF SAN DIEGO



EMPLOYERS' HANDBOOK

DEPARTMENT OF
CHILD SUPPORT
SERVICES

Mission

Enhance the lives and well being of children and promote family self-sufficiency by establishing and enforcing support orders.



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For updated information, please contact the San Diego County Department of Child Support Services at 619-236-7600 or go to the Web site at www.sandiegochildsupport.org.

Introduction

The information in this handbook is intended to answer common questions about the child support program as it relates to the employer's role, rights, and responsibilities.

The San Diego County Department of Child Support Services (DCSS) provides the following services to parents and guardians:

- Establishing an order for parentage
- Establishing an order for child or medical support
- Modifying a support obligation
- Enforcing child and/or medical support orders

Federal and state laws require that all child support orders must include an order for income withholding and medical support. San Diego DCSS is mandated by law to proceed with enforcement actions on all cases active with San Diego DCSS once the court issues an order for child and/or medical support. San Diego DCSS works closely with the Franchise Tax Board and the Internal Revenue Service to enforce child support orders. The above information is true for all county child support services agencies in California.

Employers with orders for income withholding are to send payments to the State Disbursement Unit (SDU). All other inquiries and correspondence are directed to San Diego DCSS.

San Diego DCSS is committed to providing excellent customer service, which includes assisting and providing prompt service to employers. Please contact the San Diego DCSS Employers' Help Line at (619) 578-6917, if you need information, assistance, or have questions.

IMPORTANT: The information in this handbook relates primarily to California child support cases. If you have received correspondence or are contacted by a child support services agency from California or another state, you should contact that agency directly for information and assistance.

State Disbursement Unit (SDU)

Federal Requirements

Federal law¹ requires all states to establish a central location for processing child support payments, including all employer wage assignments. The law's intent is to improve the accuracy of child support records, speed payment processing, and streamline wage assignment processing for employers.

California's SDU is now responsible for collecting and processing the following types of child support payments:

- All payments for cases being enforced by local child support agencies (full-service IV-D cases)
- All employer wage assignments, including those secured through private support orders

What does the SDU mean to your business?

Employers are now required to redirect payments to the SDU and notify the SDU of payments sent directly to individuals.

Employers must send copies of all *FL-195 Order/Notice to Withhold Income for Child Support* (wage withholding orders for payments sent directly to individuals) to the State Disbursement Unit, P.O. Box 980218, West Sacramento, CA 95798.

Once the SDU receives the *FL-195*, employers will be sent instructions for remitting the information required to process employee support payments. Payments will be returned to employers that fail to provide the required information. If you have questions about the *FL-195*, call the SDU Electronic Help Desk at 866-325-1010.

Employer Benefits

- Electronic payment options
- All payments can be sent to one centralized location;
- IV-D and non-IV-D payments can be made at one time;
- Helpful and advanced features will be offered on the SDU Web site at www.casdu.com

More information is available at www.childsup.ca.gov.

¹ 1996 Welfare Reform Legislation, US Code 42 USC 654B

Employer Checklist for Child Support Withholding

- ☑ Within 10 days of receipt, confirm that the employee named in the Order/Notice is your employee and provide him/her with a copy of the Order/Notice, the Request for Hearing Regarding Wage and Earnings Assignment, and Information Sheet.
- ☑ At next payroll cycle or within 10 days of receipt, calculate allowable net disposable income. (See page 16 for a general guide.) Withhold the appropriate amount not exceeding Consumer Credit Protection Act limits.
- ☑ If no federal tax levy is already in place against your employee's earnings, withhold the maximum allowable disposable income needed to satisfy the child support obligation, and your administrative fee, if any. If a federal tax levy is in place, please contact the San Diego DCSS to determine if the child support order was entered prior to the date of the tax levy and therefore has priority over the tax levy.
- ☑ Send the amount withheld, together with identifying information to:

State Disbursement Unit
P.O. Box 989067
West Sacramento, CA 95798
- ☑ If the employee no longer receives payments from you, is terminated, on disability leave, or there is any cause to disrupt the withholding of payments, notify the San Diego DCSS in writing.



Questions and Answers About Employment and Income Verification

Why is San Diego DCSS requesting information about my employee?

San Diego DCSS requests information for a number of reasons:

- Locating noncustodial parents to serve them with child support actions
- Requesting wage information to properly determine a child support amount
- Verifying employment to serve a wage withholding notice
- Verifying the availability of medical support
- Delivering other official correspondence

Can my company release this information to San Diego DCSS without violating my employee's privacy?

YES. San Diego DCSS has the legal authority to locate noncustodial parents and their financial assets. State and federal laws require employers to provide this information promptly and as fully as possible. Employees of these agencies are restricted by law from using this information for anything other than the establishment or collection of child support.

What type of information does San Diego DCSS need?

Most verification requests pertain to location, financial resources, and/or the availability of medical support.



Questions and Answers About Income Withholding

What does the FL-195 Order/Notice to Withhold Income for Child Support require me to do?

1. Document the date you received the Order/Notice.
2. Give a copy of the Order/Notice and the blank Request for Hearing form to your employee within 10 days of receipt.
Note: Order/Notices to Withhold Income for Child Support do not have to be filed at Superior Court to be valid orders.
3. Follow the terms of the order. Begin to withhold money from the employee's net disposable earnings no later than 10 days after receipt. This usually means you begin deductions at the next pay period after receipt.
Send payments to the State Disbursement Unit within seven working days of the employee's pay date. Do not wait until the end of the month to send the support. (The withholding limit varies from state to state. California employers may not withhold more than 50% of the employee's net disposable income.)



4. When sending payments, provide the following:
- Child support case number
 - Employee's name
 - Social Security number
 - Dates money was withheld, in order for the payment to be properly posted. The date the money was withheld is the date your employee was paid, i.e., the pay date.

(See page 12 for information regarding multiple employees on one payment.)

What forms will I be receiving along with the Order/Notice?

- A cover letter with instructions on how to implement wage withholding
- Request for Hearing Regarding Wage and Earnings Assignment and Information sheet
- A letter for employers to inform San Diego DCSS if the employee leaves this employment. (Notify San Diego DCSS no later than the date of the next payment and provide the employee's last known address, and, if known, the name and address of the new employer.)
- National Medical Support Notice (if applicable)
- Health Insurance Information form

Note: Employers MAY NOT use an Order/Notice as grounds for refusing to hire a person or for taking disciplinary action against an employee. Employers could face civil penalties if they do so.

The Order/Notice doesn't have a judge's signature. Do I still have to comply with it? Is it based on a court order?

YES. The Order/Notice has been a federally required form since January 1, 2000 and is used in all support cases in all states. The signature of a judicial officer is not required when the Order/Notice is sent by San Diego DCSS. The ongoing child support order is taken from the most recent court order. An arrears payment on an Order/Notice may be based on a court order, but San Diego DCSS also has the authority to administratively set an arrears payment.

What if we believe that wage withholding is too much work or that we should not be involved in this family matter?

Following the terms of an Order/Notice is the law. Employers who fail to comply with a wage withholding order are liable for the accumulated amount which should have been withheld. An employer may face civil penalties of contempt for failing to follow a wage withholding order or notice. In addition, an employer who fires, disciplines, or refuses to hire an employee based upon income withholding faces civil penalties.

What if the name and/or Social Security number on the Order/Notice do not match my employee?

Please contact San Diego DCSS first to check whether there is an error in the number or name, or if this could be a case of mistaken identity. If your employee's identification has been stolen and he/she is not the right person, we can usually compare your employee to a photograph of the noncustodial parent. Your employee may file a motion in court to quash the Order/Notice using the Request for Hearing form.



May I allow an employee to pay child support directly to the State Disbursement Unit as long as I know the payments are being made?

NO. Direct the employee to contact San Diego DCSS to discuss this request. You must continue to comply with the Order/Notice.

What earnings can be used for child support?

- Wages, salary, tips, bonuses, vacation pay, retirement pay, regular overtime, and commissions
- Payments due for services of independent contractors, interest, dividends, rents, royalties, residuals, patent rights, or mineral or other natural resource rights
- Payments or credits due or becoming due as a result of written or oral contracts for services or sales whether denominated as wages, salary, commission, bonus, or otherwise
- Payments due for workers' compensation temporary disability benefits
- Any other payments or credits due or becoming due, regardless of source

What are net disposable earnings?

Net disposable earnings are earnings remaining after mandatory taxes and deductions including mandatory retirement or union dues. Therefore, if your employee has voluntary deductions for 401k plans or other benefits, these deductions cannot be used to calculate net disposable earnings.



What do I do if the employee does not have sufficient earnings to satisfy the Order/Notice? What if the employee has multiple Order/Notices?

Prioritize deductions in the following order:

- First, to current monthly child, family, and/or spousal support;
- Second, to current monthly health premiums, and/or other current medical support;
- Third, to payment of ordered support arrears; and
- Fourth, to any remaining ordered amounts.

Where there are multiple orders for the same employee, first add up the total current support obligations. If 50% of the employee's net disposable earnings will not pay in full all of the orders for support, send 50% of net disposable earnings to the State Disbursement Unit. They will calculate the prorations. (See sample calculations on page 16.)

Apply any remainder to the order for arrearage support in the same proportion that each order's arrears balance bears to the total arrearage owed.

Some of my employees only work part-time. What do I do if 50% of their net disposable earnings is less than the withholding amount for the pay period?

California law requires that you only withhold up to 50% of your employee's net disposable earnings each month (this withholding limit varies from state to state). If your employee voluntarily agrees to pay more, he or she should first contact San Diego DCSS to make arrangements to pay more.

May I withhold a fee for processing and withholding the child support payment?

YES. In California, you may deduct \$1.50 from the employee's earnings for each check you send. You may retain this fee for your processing costs. However, the deductions plus the fee may not exceed 50% of the employee's net disposable earnings. The amount of the employer's fee varies from state to state.

What do I do if an employee has other nonsupport income attachments?

Except when an IRS tax lien was served prior to the date the child support order was entered, federal and state laws require child support withholding to take priority over all other income attachments. You must withhold the required amount as long as the amount does not exceed 50% of the employee's net disposable earnings.

An Order/Notice for support has priority against any attachment, execution, or other assignment.

Our company's pay periods are biweekly. There are 26 pay periods per year. How do I compute how much I should deduct?

The Order/Notice includes the amount to withhold if your pay periods are weekly, biweekly, semi-monthly or monthly.

Keep in mind that the child support order itself specifies a monthly payment. If your employee voluntarily agrees to have child support deducted from the first paycheck of each month, you are not bound by the computed amounts on the Order/Notice, only the overall figure and the 50% limit. Deducting once a month from the first paycheck might be preferable for an employee who is paid biweekly because if support is paid by the pre-calculated per paycheck deductions, in some months your employee may seem behind in support, and in other months, more than the monthly obligation is deducted.

What should I do if the employee tells me not to enforce the Order/Notice because it is incorrect?

Payments must continue until further order of the court or notification by San Diego DCSS. It is the employer's obligation to withhold as ordered on the Order/Notice.



What if an employee disagrees with the amount of arrears shown on the Order/Notice?

It is the employee's obligation to contact San Diego DCSS about any problems or questions regarding his/her case.

Payments must continue until further order of the court or notification by San Diego DCSS.

An employee has told payroll his/her child has turned 18 and/or the arrears are paid in full and to stop wage withholding. Should the withholding stop?

NO. Do not end wage withholding until notified to do so by San Diego DCSS. Contact the agency and encourage your employee to contact the agency to address this issue.

An employee told me his/her child support order is illegal because he/she never knew about it. Another states that the Order/Notice was sent in error. What should I do?

It is the employee's obligation to contact San Diego DCSS if they have any questions about the order. You, as an employer, are responsible for honoring the Order/Notice according to state law until notified by the court or issuing agency.

I have several employees with Order/Notices from the San Diego County Department of Child Support Services. May I combine all of their child support into one check?

YES. You may combine support withholdings for multiple employees into one consolidated check. You must provide an itemized accounting and include the following:

- Employee names
- Employee Social Security numbers
- Withholding dates
- Amount withheld for each child support case number



Where do I send the support I withhold?

If the Order/Notice was sent to you by San Diego DCSS or by another county in California, make your check payable to the **State Disbursement Unit** and send payments to:

State Disbursement Unit
P.O. Box 989067
West Sacramento, CA 95798



Other agencies have different payment addresses. If you receive an Order/Notice from another state's child support services agency, please send the payments directly to the other state so that your employee's payments can be properly credited and an accurate payment history can be kept for the benefit of your employee.

How long does it take for the State Disbursement Unit to distribute payments I send?

As required by federal law, when the State Disbursement Unit receives a payment check, it must be distributed within two business days of receipt.

What if the employee becomes injured, quits work, is laid off or fired after I begin withholding child support?

You have a duty to report any of the above to San Diego DCSS or the agency that sent you the Order/Notice. This is true whether the employee quits or is terminated. When the employee stops working for you, notify the child support office no later than the date of the next payment. You must also provide the employee's last known address and, if known, the name and address of your former employee's new employer.

What if I receive phone calls from the other parent about the San Diego County Order/Notice?

Refer the other parent to San Diego DCSS. Let San Diego DCSS know about any problems you have with the other parent. We will work with that parent to avoid disruption of the workplace.

Why do I keep getting paperwork for this employee if I have notified San Diego DCSS he/she is no longer employed?

The San Diego DCSS' automated system receives data from many sources. Occasionally, this data may override current data in the system, causing new documents to be sent out to the same employer.

Why do I need to garnish if the employee says he/she has custody of the child(ren)?

Continue to withhold payments pursuant to the Order/Notice. The employee should contact San Diego DCSS immediately with documentation of the custody change. When San Diego DCSS verifies he/she has custody, the Order/Notice will be terminated or reduced.

An employee is an independent contractor. Can I garnish his/her wages?

YES. Independent contractor wages are subject to an Order/Notice to Withhold.

I have an Order/Notice from another county for the same children. Which Order/Notice do I enforce?

San Diego DCSS will research the matter and advise. If both of the Order/Notices are for the same child(ren) and include ongoing child support payments, a determination will have to be made regarding which county has jurisdiction in the case.

Why did I receive a noncompliance letter when I am currently sending payments?

The San Diego DCSS' automated system issues two different types of noncompliance letters. The first noncompliance letter is issued on a case 45 days after a wage assignment payment is sent and NO payments have been received. The second noncompliance letter issues 45 days after ongoing wage assignment payments stop. If you receive a noncompliance letter and you are remitting payments, contact San Diego DCSS. This could be a case of a misapplied payment, or an error in the automated system.

How much does the employee owe? When can I stop garnishing?

The employee receives a monthly billing statement that reflects the balance due. San Diego DCSS will notify you when to stop garnishing the employee's wages.

Can you verify the receipt of the payments our company is sending to your office?

YES. Receipt of payments can be verified by calling the State Disbursement Unit or San Diego DCSS.

I am already deducting and remitting payments. Why do I keep receiving Order/Notices for this employee?

This could be a new or amended Order/Notice to Withhold recently obtained by San Diego DCSS. Check the court order number and verify that the court order is the same as the previous Order/Notice. Ensure that the number of children has not changed from the previous Order/Notice.

Please call San Diego DCSS if you continue receiving duplicate copies.



Calculating Child Support Deductions

Priority of Deductions

1. Current child support, family support, and/or spousal support
2. Monthly health premiums and/or other current medical support
3. Payment of ordered support arrears
4. Any remaining ordered amounts

Calculating 50% of Net Disposable Income

Net disposable income is the net amount after making mandatory deductions such as state, federal, and Social Security taxes, Medicare taxes, state disability insurance, and mandatory retirement. Although the Consumer Credit Protection Act allows withholding of greater than 50% of the net disposable income in certain circumstances, all DCSS wage assignments are limited to 50% maximum withholding.

Example:

Gross Income		\$4,882.00
Federal Income Tax	-496.00	
State Income Tax	-109.00	
FICA	-313.00	
Medicare	-73.00	
SDI	-50.00	
Mandatory Retirement	-150.00	
Net Disposable Income		\$3,691.00
Multiply by 50%		x 0.5
<i>Available for Deduction</i>		\$1,845.00

Multiple Orders Without Medical Deductions

Example:

	Current Child Support		Child Support Arrears		
Order A:	\$150.00	+	\$50.00	=	\$200.00
Order B:	\$100.00	+	\$25.00	=	\$125.00
<i>Total for Both Orders</i>					\$325.00

**REMIT THE FULL OBLIGATION FOR EACH ORDER TO THE
STATE DISBURSEMENT UNIT**

Questions and Answers About New Hire Reporting

What is the New Hire Reporting Program?

The New Hire Reporting Program was mandated by welfare reform in 1996. As an employer, you must report all newly hired employees to the California Employment Development Department, or the designated agency in your state, within 20 days of their start work date.

How is the new employee information used?

Every state matches New Employee Registry reports against local child support agencies' records to help locate parents.

When reporting new hires, what information do I need to provide?

1. Employee's full name, Social Security number, address, and start work date.
2. Employer's name, address, employer account number, and Federal Employer Identification Number.

Do I have to provide information on independent contractors who work for me?

Effective January 1, 2001, any business that is required to file a federal form 1099-MISC for services received from an independent contractor must now also report the independent contractor to the Employment Development Department.



Employer Checklist for Child Support Health Insurance Enforcement

- ☑ Confirm that the employee named in the National Medical Support Notice (NMSN) is your employee and provide him/her with a copy of the Notice.
- ☑ Determine whether group health insurance is available to the employee and dependent.
- ☑ Any eligibility questions can be answered through NMSN guidelines or by contacting San Diego DCSS directly.
- ☑ Forward instructions to enroll to the designated Plan Administrator within 20 business days of receipt of Notice (Union/Trust Benefit Representative or Employer Benefits Specialist).
- ☑ Once enrollment is verified with the effective date, complete the Health Insurance Information form and return it to San Diego DCSS.
- ☑ You must, within 40 business days of the date of the Notice or sooner if reasonable, furnish San Diego DCSS with a description of the coverage available and the effective date of the coverage, including, if not already provided, a summary plan description and any forms, documents, or information necessary to effectuate such coverage, as well as information necessary to submit claims for benefits.
- ☑ If health insurance coverage terminates for any reason, notice of lapse of health insurance coverage should be forwarded to San Diego DCSS.



Questions and Answers About Medical Support

What does the National Medical Support Notice (NMSN) for Child Support require me to do?

1. Confirm that the employee is eligible for group health insurance benefits and, if so, provide him/her with a copy of the Notice.
2. Forward instructions to enroll to your designated plan administrator within 20 business days.
3. After the plan administrator has completed enrollment, the Health Insurance Information form must be completed and returned to San Diego DCSS. In addition, ID cards, booklets and summary plan descriptions should be forwarded to San Diego DCSS within a reasonable time frame.
4. Any interruption of health insurance benefits must be reported to San Diego DCSS as soon as possible.

What if we don't have health insurance coverage available to the employee(s)?

If health insurance is not available to the employee, complete and sign the NMSN Employer Response on the reverse of the form and mail the form to San Diego DCSS within 20 days.

What if the employee has voluntarily elected not to maintain any insurance?

You must enroll the children. The employee does not have to be involved in the enrollment process. On the signature line of the enrollment forms, simply write, "per court order-copy attached." If the employee is not currently covered, you will be required to enroll the employee.

How soon must I begin coverage? Can I wait for open enrollment?

We ask for a 10-business day response to the notice; however, you may take up to 20 business days to respond. Enrollment must move forward irrespective of any open enrollment restrictions.

Why do I have to send in enrollment information, if the employee has existing health insurance for the children?

Your employee is under court order to supply medical insurance coverage for the dependent(s) through employment. Enrolling the dependent(s) is only half the obligation. In order for the employer and employee to be in compliance, it is necessary for this information to be noted in the file and the information forwarded to the custodial party of the child(ren).

Why do I keep getting NMSNs when the employee's benefits are provided through a union/trust membership?

It is still the responsibility of the employer to secure health insurance benefits for the dependent(s), even if these benefits are paid through a union/trust. The law says that the employer is to forward (Part B) of the NMSN to the Trust Administrator. The remaining paperwork (Part A) is to remain on file with the employer.

Why do I have to enroll if the employee says the children are already insured by the custodial party?

If you have received the medical support notice, it means that San Diego DCSS has not confirmed that the custodial party is providing medical insurance coverage. Or, it could mean that the custodial party is currently on Medi-Cal, or does not want to provide this coverage but is doing so out of necessity. You may exercise the option of "holding off" enrollment of dependent(s) for 10 business days. You can give the employee the option of contacting San Diego DCSS to discuss this issue. If at the end of 10 days, your organization has not received a document stopping your obligation to enroll, you must move forward with the enrollment and return coverage information to San Diego DCSS as soon as possible.





What should I do if the children live out-of-state?

Contact San Diego DCSS to verify that the family lives out-of-state. Depending on the insurance provider, there may be a “guest membership enrollment” available. This means the insurance coverage may extend to another state and it is just a matter of changing the enrollment information. After verifying with San Diego DCSS the zip code of the family, you may need to contact the insurance provider to arrange this coverage.

What if health insurance coverage is available, but the deduction of premiums and the child support exceeds the employee's 50% net disposable earnings?

Complete the NMSN Employer Response Form and return it to the issuing agency within 20 days. Please specify the cost amounts for health insurance benefits.

Why are you asking us to forward medical cards to San Diego DCSS when they go directly to the employee?

Part of the notification of enrollment for benefits includes making sure that the family receives the necessary materials needed to use the benefits effectively. If the employer is not able to convince the employee to surrender the identification cards, then it becomes the employer's responsibility to secure cards directly from the carrier. San Diego DCSS should be notified only after this attempt has failed.

What should I do if there is a lapse in coverage?

Any interruption in the coverage should result in a notice to San Diego DCSS. This includes reinstatement of benefits or any change in coverage.

What will happen if I don't comply and enroll?

If medical coverage is available and your organization fails to enroll and send in coverage and materials, the court may find the employer in contempt and the resulting penalties can include a fine. In addition, any employer who willfully fails to comply with the NMSN is liable for the amount incurred in health care services that would otherwise have been covered.



Contacts for Employers

San Diego Department of Child Support Services

Main Phone Line: (619) 236-7600
 Employers' Help Line: (619) 578-6917
 Fax: (619) 236-4408
 Web site: www.sandiegochildsupport.org
 Correspondence Address: P.O. Box 122031
 San Diego, CA 92112-2031
 Mail Payments to: State Disbursement Unit
 P.O. Box 989067
 West Sacramento, CA 95798

California State Disbursement Unit

Phone: (866) 325-1010
 Web site: www.casdu.com

<i>Mail Payments to:</i>	<i>Mail FL 195 - Order/Notices to:</i>
State Disbursement Unit	State Disbursement Unit
P.O. Box 989067	P.O. Box 980218
West Sacramento, CA 95798	West Sacramento, CA 95798

Employment Development Department

Phone: (888) 745-3886
 Web site: www.edd.ca.gov/taxind.htm

State Child Support Services Collection Program

Phone: (916) 845-4010
 Web site: www.ftb.ca.gov

Federal Office of Child Support Enforcement

Phone: (202) 401-9267, 7:30 a.m. - 5:30 p.m. EST
 Web site:
www.acf.dhhs.gov/programs/cse/newhire/employer/home.htm

U.S. Small Business Administration

Web site: www.sba.gov

Government Printing Office

Web site: <http://bookstore.gpo.gov/>

Notes

Vision

*Enhance our children's futures
by obtaining support for families today.*



